

NO. 21,826

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

ARCHITECTURAL MODELS, INC.,
a California corporation,

Appellant,

v.

NILS C. NEKLASON and
DONALD NUSBAUM doing business
as SCALE MODELS UNLIMITED,

Appellees.

APPELLEES' BRIEF

HARVEY G. LOWHURST
2500 El Camino Real
Palo Alto, California 94306
Telephone (415) 321-6110

GREGG & STIDHAM
EDWARD B. GREGG
483 Mills Building
San Francisco, California 94104
Telephone (415) 781-1448

Attorneys for Appellees

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SUBJECT INDEX

<u>APPELLEE'S BRIEF</u>	<u>PAGE</u>
JURISDICTION	2
STATEMENT OF THE CASE.	2
The Background of Plaintiff's Invention.	2
Defendants' Machine.	8
SUMMARY OF ARGUMENT.	10
ARGUMENT	12
Summary of Evidence Concerning The Structure, Operation and Performance of Plaintiffs' and Defendants' Machines	12
The Trial Court's Opinion, Findings of Fact and Conclusions of Law	13
The Issue of File Wrapper Estoppel - The Phrase "Reverse Print"	15
The Issue of Equivalents - Claim 11.	24
The Issue of Equivalents - Claim 14.	34
Summary Regarding the Issue of Equivalents.	38
CONCLUSION	39
CERTIFICATE OF COUNSEL	43
CERTIFICATE OF SERVICE	43

INDEX OF AUTHORITIES

<u>CASES</u>	<u>PAGE</u>
<u>Exhibit Supply Co. v. Ace Patents</u> , 315 U.S. 126, 136, 137, 62 S.Ct. 513 86 L.Ed. 736.	22
<u>Graham v. John Deere</u> , 383 U.S.1, 86 S.Ct., 684, (1966)	40,41
<u>Illinois Tool Works v. Brunsing</u> , 378 F.2d 234, 153 USPQ 771, CA 9 (1967)	14
<u>Lockwood v. Langendorf</u> , 324 F.2d 82, 88 CA 9, (1963)	21,22,25,26
<u>Snow v. Railway</u> , 121 U.S. 617, 7 S.Ct. 1343, 30 L.Ed. 1004	22
<u>Taylor v. Ford Motor Co.</u> , 154 USPQ 349, -F.Supp.-, D.C., N.D. Tenn., (1967)	26
<u>Top-Scor Products, Inc. v. The H. C. Fisher Company</u> , 259 F.Supp. 775, 150 USPQ 429, D.C., N.D. Ohio, (1966)	23,24
<u>United States v. Adams</u> , 383 U.S. 39, 86 S.Ct. 708, (1966)	40,41

STATUTES AND RULES

35 USC 112	34,35,36
35 USC 116	5
Rule 54(b) Fed. Rules Civ. Proc.	14

TEXTS

Walker on Patents, Deller's Edition page 293, sect. 59	32
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APPELLEES' BRIEF

In conformity with Appellant's Opening Brief, this brief will refer to the Clerk's Transcript as CT and to the Reporter's Transcript as RT. Appellant will be referred to as Plaintiff and Appellees as Defendants. The patent in suit, Green and Johnson U.S. Patent No. 3,137,209 will be referred to as "the patent".

JURISDICTION

The basis of jurisdiction in the court below and in this court are correctly stated in Appellants' Opening Brief (hereinafter referred to as Pl's Brief).

STATEMENT OF THE CASE

Appellant's (Plaintiff's) statement of the case is highly selective and does not give an adequate picture of the state of facts upon which Judge Harris based his opinion, findings of fact, conclusions of law and judgment. Therefore, at the expense of some repetition, it is essential for Defendants to give their version of the case.

The Background of Plaintiff's Invention

It was not original with Plaintiff to make models of plastic by a technique in which the plastic is cut with a machine, in which the machine traces the lines of a contour map with a stylus and simultaneously cuts the plastic with a tool, and in which the cutting tool duplicates the motion of the stylus.

This technique was revealed to Plaintiff by two gentlemen from Pullman, Washington, whose purpose was to interest Plaintiff in having its topographical models made by them. In the course of trying to gain the patronage of Plaintiff these gentlemen told Plaintiff about this technique. However, instead of giving these gentlemen the business they desired, Plaintiff decided to appropriate this technique to its own use. (RT 111-113)

The owners of Plaintiff, Virginia Green and Leila Johnston, did not like the machine (a pantograph) these men were using. (Pl's Brief, page 5; RT 239-240) They thereupon consulted with the father of Virginia Green, a Mr. Elliott Dorsey Green. Elliott Dorsey Green told them two important things, as follows:

- (1) Mount the work piece (i.e., the plastic to be cut) above the topographical map; and
- (2) use a reverse print of the map.¹ (RT 116-117, 451)

1. There is disputed evidence that Elliott Dorsey Green suggested other things, but as to the above facts and as to other facts set forth hereinafter regarding contributions of others (i.e., persons other than Leila Johnston and Virginia Green) there is no dispute.

Virginia Green and Leila Johnston took the several ideas which they had derived from the gentlemen from Pullman and from Elliott Dorsey Green, together with any ideas they may have originated themselves, to a machine shop operated by a father and his son, Roger N. Busch and Roger H. Busch, respectively. Johnston and Green gave the Busches the job of building the machine. In so doing, and without any question, the Busches originated the idea of the jack screws 60, the sprockets 62 and 70, the chain 66 and the hand wheel 72 shown in Figures 3 and 5 of the patent. These elements are the means whereby the top support 18 and the slab of plastic 20 (see Figure 3 of the patent) are raised and lowered to move from one contour level to the next. RT 125-126, 425, 500-501.

This machine, built and contributed to by the Busches, was delivered to Plaintiff in June of 1960. RT 357 In April of 1961, during a conference between Virginia Green, Leila Johnston and their patent attorney, the alternative structure of Figure 2 was conceived. This was a conception of Virginia Green; it was not conceived by Leila Johnston. RT 71, Pl's Exhibit O.

Thereafter, on July 27, 1961, Virginia Green and Leila Johnston filed an application as joint inventors describing the structure of Figures 3, 4 and 5 of the patent built by the Busches and the alternative structure of Figures 1 and 2, such

application combining and claiming in various ways the concepts of the gentlemen from Pullman, the father of Virginia Green and the Busches, and any ideas that may have been contributed by Virginia Green.²

In January of 1964, while their application was still pending in but had been allowed by the Patent Office, Virginia Green and Leila Johnston were aware that there was some question concerning inventorship. RT 414-415. In fact at that time Green and Johnston gave the matter of inventorship "specific consideration". RT 414-417. They gave specific consideration to "the fact that Virginia (Green) and I (Leila Johnston) do agree that her father (Elliott Dorsey Green) contributed this marvelous idea of putting the material upside down--" RT 414-415. At that time Virginia Green, Leila Johnston and Plaintiff might have taken steps under the provisions of 35 USC 116, to correct an error in inventorship but they did nothing in this regard.³

2. In this connection, it is beyond dispute that, in actual fact, Leila Johnston contributed nothing of an inventive character. RT 126-130.
3. The controlling statute, 35 USC 116, third paragraph reads as follows:

"Whenever a person is joined in an application for patent as joint inventor through error, or a joint inventor is not included in an application through error, and such error arose without any deceptive intention on his part, the Commissioner may permit the application to be amended accordingly, under such terms as he prescribes." (Continued on Page 6.)

Instead they caused the application to issue as the patent which is involved in this suit, (RT 428) claiming the device of Figures 3, 4 and 5 and the device of Figures 1 and 2, such claims incorporating as elements or features such things as the jack screw adjustment of the Busches and the ideas of mounting the plastic workpiece overhead and the use of a reverse print as suggested by Elliott Dorsey Green.

The claims of this patent are replete with recital of features contributed by other persons. For example, (1) Claims 1-10 recite the "reverse print" feature which looms large in this case; (2) all of the claims recite or imply that the workpiece is situated above the topographical map; and (3) Claim 9 broadly describes and Claim 10 specifically describes the jack screw mechanism for raising and lowering the workpiece. The first two of these three features were contributed by Elliott Dorsey Green and the third feature was contributed by the Busches. None of these persons was named as an inventor. Inspection of the file

Foot note 3, Continued from Page 5

There is a serious question whether the omission of Elliott Dorsey Green and the Busches as inventors was "error" and that it arose "without any deceptive intention". As noted in the text above, Johnston and Green regarded Elliott Dorsey Green's contribution as being a "marvelous idea". During 1960 (before the application was filed) Virginia Green told a lot of people that the machine was her father's idea. RT 412, 506, 601. Commencing about September 1961, shortly after the application was filed and following the death of Elliott Dorsey Green, Plaintiff commenced paying his widow \$150 per month identified on Plaintiff's income tax records as patent royalties for the patent in suit. RT 163-164, 208-210, 418.

wrapper, Defs' Exhibit 2, reveals that nothing was said to the Patent Office regarding contributions of these men and no attempt was made to distinguish in the Patent Office between what these men contributed and what Virginia Green and Leila Johnston contributed.

Another interesting fact which is not touched on in Plaintiff's brief is as follows: Claim 14 is one of the claims sued upon and like Claim 11 (another claim sued upon) it is directed to the apparatus of Figure 2, that is, the adjustable router assembly per se. However, Claim 14 differs from Claim 11 in that it does not specifically recite a threaded relation between the router and its holder or stand. This claim was first presented to the Patent Office on September 12, 1963 after Plaintiff had demanded and had been given access to Defendant's machine. (File wrapper of the patent, Defs' Exhibit 2, pages 28-29.) If, as Plaintiff contends, Claim 14 expresses a broader concept than Claim 11, that broader concept was not presented to the Patent Office until after Plaintiff had seen Defendants' device. It appears to have been a deeply rooted habit of Plaintiff to funnel ideas contributed by others (by the gentlemen from Pullman, by Elliott Dorsey Green, by the Busches and even by the Defendants) into their patent.

Defendants' Machine

Defendants, like Plaintiff, did not start from first principles. They had, during their employment by Plaintiff, learned of Plaintiff's machine just as Plaintiff had learned of the machine used by the gentlemen from Pullman and as Plaintiff benefitted from the ideas of Eliott Dorsey Green and the Busches. At this point it should be noted that, in its complaint, Plaintiff charged Defendants with unfair competition in the sense that Defendants had appropriated a trade secret (the structure of Figures 1 and 2 of the patent) of Plaintiff. Judgment was against Plaintiff on that count. CT 50,53. No appeal has been taken from that judgment.

Defendants, however, also exercised their own ingenuity. They conceived of the idea of a rack and pinion to move their router, Defs' Exhibit 25, up and down and they did so independently, without knowledge of Plaintiff's Figure 2 router. See Finding of Fact No. 23, CT 45, 46, which is not challenged by Plaintiff. Also Defendants conceived of the use of a light table to transmit light through a right reading print (i.e., an original or positive rather than a reverse print) placed face down on the table, thus avoiding the need to prepare and use a reverse print. This is

shown facing page 13 of Pl's Brief and in Figure 1 of a patent separately granted to Defendants on this light table, Defs' Exhibit 8, U.S. Patent 3,224,339. Among advantages of the rack and pinion feature are the much greater speed at which it can adjust height as compared to the jack screw, chain and spocket arrangement of Figures 3 to 5 and the screw-in arrangement of Figures 1 and 2 of the patent. See testimony of Nusbaum at RT 690-692, 700-711. Mr. Nusbaum demonstrated Defendants' router, Defs' Exhibit 25, in court. Among the advantages of the use of the light table and a right reading print are that topographical maps are often supplied as right reading prints and, if reverse prints must be made, their preparation is time consuming and expensive. Nusbaum testimony at RT 686,687. This testimony and demonstration were, of course, heard and weighed by the trial court.

The record shows that Defendants did not copy anything originated by the patentees Virginia Green and/or Leila Johnston. The use of plastic and cutting it with a machine which would follow the contour lines of a topographical map with a stylus and at the same time correspondingly cut the plastic, was contributed by the gentlemen from Pullman, Washington. (This brief at pages 2-3, supra.) In mounting the plastic above the topographical map Defendants followed the suggestion of Elliott

Dorsey Green (page 3 , supra) and adopted the technique shown in a prior patent, Jacobson patent 429,213, Defs' Exhibit 4; testimony of Nusbaum at RT 717-719. In putting the height adjustment into the router assembly rather than into the heavy framework of the machine, Defendants struck out on their own because, at that time, they did not know of Plaintiff's Figure 1 and 2 structure (page 8 , supra). In employing a light table and using a right reading print placed face down on the table, Defendants also struck out on their own and have received a patent for their contribution. Def's Exhibit 8.

SUMMARY OF ARGUMENT

The crucial findings of fact with respect to Claims 4 and 5 are that they were amended to recite a "reverse print"; that such was done to dissuade the Patent Examiner from a rejection of these claims and to persuade him that an apparatus employing a "reverse print" is different from and patentable over an apparatus that does not employ a "reverse print"; and that Defendants apparatus does not employ a "reverse print". There is no dispute about these facts. The trial court correctly applied the law to the facts in holding that Defendant's device does not infringe Claims 4 and 5.

The crucial findings with respect to Claim 11 are that it is limited by its language to a screw-in mechanism for height adjustment of the router; that this device was never used and Claim 11 is therefore a paper patent; that it is in a crowded art; and that Defendants height adjustment by means of a rack and pinion is different and is not the equivalent of Plaintiff's screw-in mechanism. The trial court correctly applied the law to the facts.

The crucial holding with respect to Claim 14 is that its "means" clause defining the height adjustment must, according to law, be interpreted as covering only the structure specifically shown (a screw-in mechanism) and equivalents; and that the facts and law applicable to Claim 11 are applicable to Claim 14.

ARGUMENT

Summary of Evidence Concerning the Structure, Operation and Performance of Plaintiff's and Defendants' Machines

At the trial, which occupied seven days, several witnesses testified in court concerning the background and development of Plaintiff's machine; the background and development of Defendants' machine; the performance of the machine of Figures 3 - 5 of the patent; the probable performance of the machine of Figures 1 and 2 of the patent ("probable" because that machine was never built); and the performance of Defendants' machine. These witnesses and places in the record where pertinent testimony is set forth, are as follows:

Leila Johnston	}	Owners & Officers of Plaintiff and joint patentees	RT 115-116, 135, 137, 166, 167, 169-179, 261, 423-424 RT 450-464, 500-501
Virginia Green			
Donald Nusbaum	}	Defendants	RT 683-713, 790 RT 602
Nils Neklason			
Richard Wold)	A witness for Plaintiff	RT 569-570

Moreover, prior art in the form of prior U.S. and foreign patents (Defs' Exhibits 3A-3I and 4-7) and a brochure (Defs' Exhibit 24) of a supplier of cutting tools (the Skill Company, which supplies the essential part of the machine that does the cutting) were offered and received in evidence in connection with testimony on direct and cross examination by Donald Nusbaum. See RT 717-728, 742-787.

This evidence is discussed in more detail in subsequent sections of the Argument.

The Trial Court's Opinion, Findings of Fact and
Conclusions of Law

Plaintiff's brief does not do justice to Judge Harris' carefully drafted opinion, findings of fact and conclusions of law.

At CT 32, third paragraph, the opinion states that only four of the fourteen claims of the patent (Claims 4, 5, 11 and 14) are sued upon and are "the only ones about which Plaintiff has presented evidence".

At CT 32, last paragraph and CT 33, first paragraph, the opinion carefully points out why the trial court limited its judgment to non-infringement and did not decide the issues of validity or misuse. This is important in view of a recent decision by this court, Illinois Tool Works v. Brunsing, 378 F 2d 234, 153 USPQ 771, CA 9, 1967. In that case, a judgment of non-infringement had been rendered after a separate trial of the infringement issue, the issue of validity having been raised by way of a counterclaim. This court, per Judge Hamley, (sitting with Judges Hamlin and Duniway) remanded the case to the trial court to comply with Rule 54(b) FR Civ.P; that is, to determine the issue of validity or to make an express determination that there was no just reason for delay.

In the present case Judge Harris clearly made such a determination and has complied with Rule 54(b). Thus Judge Harris said at CT 32:

"---this court concludes that the circumstances and factual background of the case dictate a disposition on the ground of non-infringement without deciding the question of validity of the patent."

And in Finding No. 35, CT 49, Judge Harris found that:

"No useful purpose would be served by rendering a declaratory judgment of invalidity or non-infringement of Claims 1-3, 6-10, 12 or 13 of the Green et al patent."

Moreover, Defendants through their counsel hereby stipulate that, if the judgment of the lower court is affirmed, they will dismiss their counterclaim. That will dispose of all issues.

The Issue of File Wrapper Estoppel - The Phrase "Reverse Print"

This issue concerns Claims 4 and 5 (numbered as Claims 5 and 6 while pending in the Patent Office) and is the subject of Findings Nos. 8, 9 and 10. These findings appear at CT 41-42 and they are reproduced below for convenience of reference:

"8. Claims 4 and 5 are to the apparatus as a whole, including the framework which supports a contour map on a table below and a workpiece above, as well as the router assembly. Each of these claims states that the map supporting table is 'adapted to support a reverse print of a topographical map.'"

"9. Literally, any table, including the lower table of defendants' apparatus, is adapted to support a reverse print of a topographical map."

"10. However, this feature - 'adapted to support a reverse print of a topographical map' - was introduced by amendment to overcome a ground of rejection and it was emphasized during prosecution of the patent application in the Patent Office as a feature which distinguishes the invention from the cited prior art. To give Claims 4 and 5 a broader interpretation and, in effect, to treat the language "adapted to support a reverse print of a topographical map" as meaningless surplusage would be to give these claims a broader scope than represented to and understood by the Patent Office and would recapture subject matter that was relinquished in the Patent Office in order to obtain allowance of claims. More particularly, to give Claims 4 and 5 a scope which would cover defendants' apparatus, in which there is a translucent table equipped with lights beneath (such being referred to as a "light table"), and which makes it possible to use a positive or right reading map with its attendant advantages over the use of a reverse print, would be to give

Claims 4 and 5 a scope broader than was intended by the Patent Office and broader than was represented by the plaintiff to the Patent Office. Such narrow construction of Claims 4 and 5 (as excluding defendants' light table and use of a right reading print) is reinforced by the following argument presented by plaintiff to the Patent Office (see the file of plaintiff's patent, Defs' Exh. 2, page 63):

'Thus, the modification of Shaver to incorporate opposed tool and stylus from Woody would require the conception of a method of use of the apparatus which would not be obvious to a man skilled in the Art. If a man skilled in the art did not conceive of applicants' method of using a reverse print, he would have to conceive of some other unobvious modification of Shaver, such as making the table 14 and map 10 transparent, in order to permit the Woody structure to be used in the Shaver apparatus.'

'The references 'Shaver' and 'Woody' in the above excerpt are to two patents cited by the Patent Examiner and which Plaintiff sought to overcome by arguments including the argument quoted above.'

To understand more fully the issue that existed between the Patent Office and Plaintiff until it was resolved by insertion of the words "reverse print", it is necessary to examine the Shaver patent and the position taken by the Examiner regarding that

prior patent. Figure 1 of the Shaver patent is reproduced as a fold-out page following this page.

As will be seen, in Shaver the map is on top, marked as "pattern" on the fold-out page, and the workpiece is at the bottom (marked as "work"). A stylus 48 (so marked) traces the contour lines of the map and a cutting tool 28A (so marked) cuts the workpiece correspondingly.

This differs from Plaintiff's structure in two respects: First, the tool and stylus in Shaver face in the same direction (upwards), whereas in Plaintiff's structure they face toward one another. Second, the map is on top and the workpiece is below in Shaver, whereas in Plaintiff's device the workpiece is on top and the map is below. The Examiner contended (see e.g., Def's Exhibit 2, page 19) that Plaintiff's rearrangement of parts was not a patentable invention.

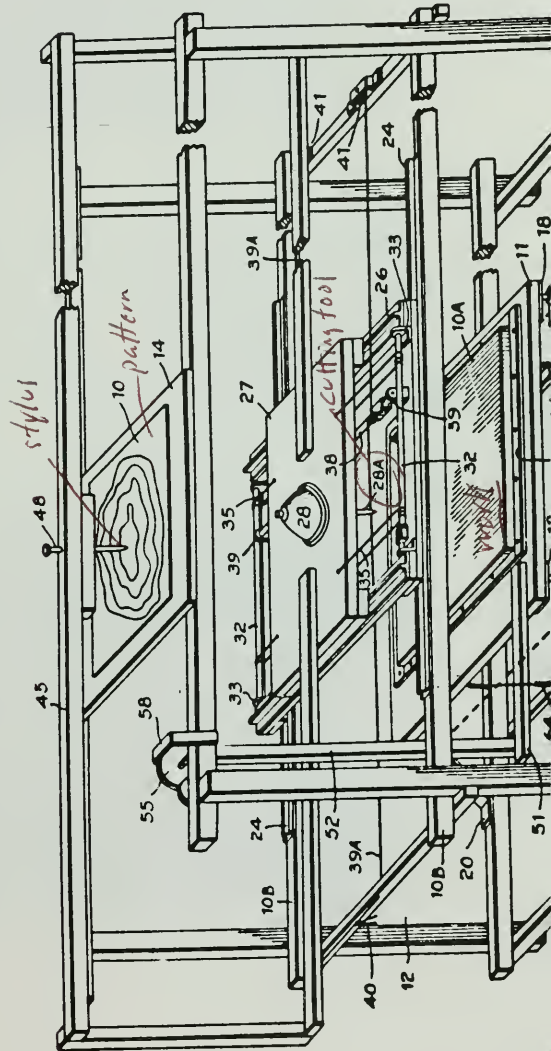
Plaintiff responded forcefully in the Patent Office that its invention did not reside merely in a rearrangement of parts but, on the contrary, it embodied something new, namely, the use of a "reverse print". At one stage of the prosecution of the application the following argument was made:

May 2, 1933.

P. A. SHAVER

DEVICE FOR MAKING RELIEF MAPS FROM CONTOUR

Filed May 20, 1929



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May 2, 1933.

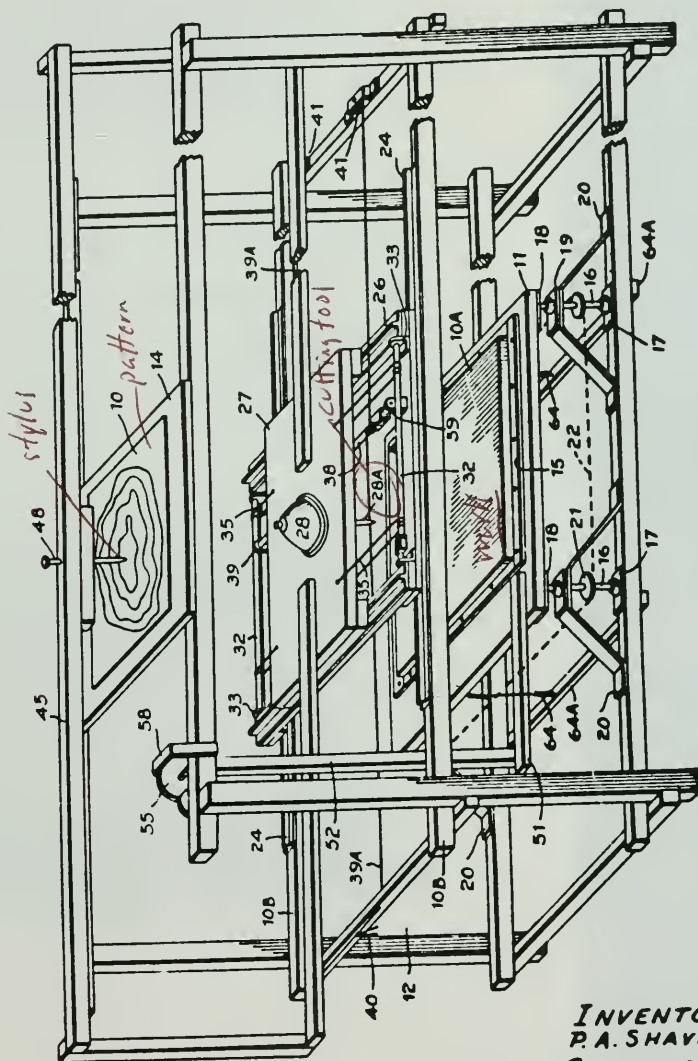
P. A. SHAVER

1,907,250

DEVICE FOR MAKING RELIEF MAPS FROM CONTOUR MAPS

Filed May 20, 1929

2 Sheets-Sheet



**INVENTOR
P. A. SHAYER.**

P. A. SHAYER.

BY-Louis H. Lane

ATTORNEY

"The apparatus claims differ from Shaver much more substantially than merely by the reversal of the positions of the tables 10 and 11 since applicants' mounting of the tool and stylus both between the two tables results in a substantially different manner of operation of the apparatus, for instance, in that applicants employ as a pattern not an ordinary topographical map as employed by Shaver but instead a reversed print of such a map (see page 3, line 10 at et seq). For these reasons, it is respectfully submitted that it would not be obvious to one skilled in the art to construct the apparatus claimed from a prior knowledge of Shaver."
(Defs' Exhibit 2, page 23).

Again, while the application was before the Patent Office Board of Appeals, Plaintiff presented the following argument. (In this excerpt, words and phrases directing attention to the reverse print feature and its importance are underscored, such underscoring not being in the original.)

"Furthermore, applicants' device and the Shaver device differ substantially in that this pattern used in applicants' device must be a photographic reverse print whereas the pattern in the Shaver device is not a reverse print. If a man skilled in the art is to consider employing the oppositely facing tool and stylus of Woody in the Shaver apparatus, he must conceive of the operational method applicants' employ where a reverse print of the topographical map is made for use with the apparatus. It is respectfully submitted that the conception of employing a reverse print of the topographical map or pattern is an antecedent to conception of applicants' apparatus which makes the conception of applicants' apparatus unobvious from the references. Thus, the apparatus as it is claimed recites a tool and stylus facing in opposite

directions for use with a reverse print of a topographical map. While Woody shows tool and stylus facing in opposite directions, neither of the references shows any contemplation of the use of a reverse print pattern. The Woody device might inherently require the use of a reverse print pattern if a pattern like Shaver's were employed, but the pattern used in the Woody device is totally unrelated to the type of pattern which is used in making topographical models. Because the groove 21 in the Woody template is symmetrical on both sides of the axis of the bearing 11, the Woody device does not have any pattern component which needs reversal because of the oppositely facing arrangement of the tool and stylus. In a reverse print pattern, portions of the pattern are reversed right to left along both horizontal axes, and such reversal of the pattern is not necessary in the Woody device since the Woody device operates symmetrically in all radial directions.

Thus, the modification of Shaver to incorporate opposed tool and stylus from Woody would require the conception of a method of use of the apparatus which would not be obvious to a man skilled in the art. If a man skilled in the art did not conceive of applicants' method of using a reverse print, he would have to conceive of some other unobvious modification of Shaver, such as making the table 14 and map 10 transparent, in order to permit the Woody structure to be used in the Shaver apparatus." (Defs' Exhibit 2, page 61-63).

It is clear that Plaintiff intended the Patent Office to believe that the phrase "reverse print" was important; and that in using a reverse print (an idea suggested by Elliott Dorsey Green, see page 3, supra) Plaintiff was doing something extraordinary. It is equally clear that Plaintiff is now taking (and took in the court below) a contrary position, namely that these words are

surplusage and should be ignored. In the Patent Office Plaintiff represented that if one did not use Plaintiff's reverse print "he would have to conceive of some other unobvious modification of Shaver, such as making table 14 and map 10 transparent....". That is to say, in the Patent Office Plaintiff represented that a structure such as Defendants' light table and a right reading print made transparent by the light table would be another and unobvious mode of operation.

The pertinence of this issue is that Defendants do not use a reverse print. Instead, as set forth in Plaintiff's Brief at pages 13-16, Defendants employ a transparent table with lights beneath it and they use a right reading map placed face down on the table. This structure was developed for sound technological reasons. See testimony of Nusbaum at RT 683-687. Among advantages of a light table and a right reading map is that topographical maps supplied by customers (which may be large in size) are often right reading maps, i.e., they are not reverse prints. The ability to use right reading prints avoids the delay and expense of obtaining reverse prints. RT 686-687. Defendants have received a patent on this structure. Defs. Exhibit 8.

Judge Harris' opinion correctly applies the law to the facts. It quotes from Lockwood v. Lagendorf, 324 F2d 82, 88 CA9, 1963 as follows at CT 35:

A narrower phrase was substituted to convince the Patent Office that Plaintiff had something new, different and patentable. This narrower phrase, which appears in Claim 4 of the patent (and by reference, in Claim 5) is as follows, the added words being underscored:

"a generally horizontal table thereon adapted to support a reverse print of a topographical map representing the model which is to be made..."
Defs' Exhibit 2, page 28.

Judge Harris recognized that Plaintiff blew hot in the Patent Office and blows cold in court.

A case directly in point on the legal effect of the added phrase, "reverse print", is Top-Scor Products, Inc. v. The H. C. Fisher Company, 150 USPQ 429, 259 F.Supp. 775, D.C., N.D. Ohio, 1966. In that case claims to shortening were involved. Defendant denied infringement on the ground that Plaintiff's claims, properly read, required that the shortening be thermally stable, and that defendant's shortening was not thermally stable. The claims did not in haec verba recite the feature of thermal stability, but during prosecution of the patent application plaintiff's attorney emphasized that thermal stability was an important feature of the invention. In sustaining defendant's contention that the claims should be construed as limited to a shortening characterized by thermal stability, the court said:

"The history of this patent before the Patent Office does reflect some claim amendment, but the meaning of the precise language of the amended claims is not the principal issue. It is the general inventive concept of the claimed compositions which is the prime issue, and in that respect the file history is informative."

* * * * *

"In considering this patent and its history, no matter where one begins the path inevitably leads back to thermal stability of the new compositions as the basic foundation of plaintiff's patent."

The Issue of Equivalents - Claim 11

This issue is whether the rack and pinion mechanism which Defendants use to raise and lower their router bit is the equivalent of the screw-in mechanism of Figure 2 of the patent. This issue is the subject of Findings Nos. 11, 12 and 13, CT 42-43, which are reproduced below for convenience of reference.

"11. Claim 11 is directed to the adjustable router assembly itself, apart from the rest of the machine. This claim is limited in its wording to (a) an internally threaded sleeve, such as the sleeve 24 in Figure 2 of the patent and (b) an externally threaded motor which is threaded into the sleeve as shown at 28 in Figure 2, such being the means for effecting vertical adjustment by screwing the motor down into or up out of the sleeve.

12. Defendants' apparatus does not employ this construction. Instead, defendants' router assembly employs a rack and pinion and the motor is moved up and down by sliding it within an outer sleeve. It is not moved by screwing it down into or up out of the sleeve.

13. In view of the fact that the apparatus of Figure 2 was never built, tested or used by plaintiff, the rack and pinion construction of defendants' machine is not the equivalent of the screw-in type of construction of Figure 2 and of Claim 11 of the patent."

Finding No. 11 correctly describes Plaintiff's

Figure 2 router and Finding No. 12 correctly describes Defendants' router. Plaintiff's quarrel is with Finding No. 13, which says that "the apparatus of Figure 2 was never built, tested or used by plaintiff". The legal significance of this finding that the apparatus of Figure 2 was never built, etc. is that the Claim 11 is a "paper patent" and is therefore entitled only to a narrow construction. In addition to the cases cited in the trial court's opinion in support of this legal conclusion, there are also the following cases:

Lockwood v. Langendorf, 324 F2d 82, 88, CA9, 1963:

"Where, as in this case, no embodiments of the patent asserted by plaintiff have ever been produced for commercial use, that circumstance is one calling for a narrow rather than a liberal construction of its claims. See: *Thompson v. Westinghouse Elec. & Mfg. Co.*, 116 F.2d 422, 425, 48 USPQ 49, 51-52 (2d Cir.1940); *Glendenning v. Mack*, 159 F. Supp. 665, 668-669, 116 USPQ 249, 253 (D. Minn. 1958)."

Taylor v. Ford Motor Co., 154 USPQ 349, 353, F. Supp. ,
D.C., N.D. Tenn., 1967.:

"The second principle concerns the construction to be given to the Taylor patent in view of the fact that it is a "paper patent", a term used in patent law to signify that the subject matter of the patent has never been manufactured, sold or distributed. Taylor never built the system which is the subject of his patent (deposition of Floyd B. Taylor, Vol. I, p. 80). He did make a "crude model" of only the lock, which he sent to Washington, and "I haven't seen it since," (deposition, Vol. I, p. 13). Although the validity of a patent is not affected by its non-use or lack of commercial success, *Tillotson Manufacturing Co. v. Textron, Inc., Homelite*, 337 F.2d 833, 837, 143 USPQ 268, 271 (6th Cir. 1964), the fact of non-use is a ground for giving the patent a strict or narrow construction. *Shearer v. Atlas Radio Co.*, 94 F.2d 304, 306, 37 USPQ 164, 166 (6th Cir. 1938). See also 69 C.J.S., "Patents," § 198, and cases cited therein. In view of its non-use, lack of commercial success, and doubtful utility, the Court is of the opinion that the Taylor patent must be narrowly construed."

It comes as a complete surprise to Defendants' counsel that on this appeal and for the first time Plaintiff urges the contrary; that in fact its Figure 2 router was embodied in some manner in a working structure. Plaintiff's position is stated as follows at page 37 of its Brief:

"The District Court below held that Claim 11 of the patent was entitled a 'most meager range of equivalents' because of the District Court's understanding that 'Plaintiff has never incorporated the principle of vertical adjustment of the router assembly in a working model'. See the last paragraph at CT 35. The District Court's factual basis for this holding was, however, inaccurate. While the fact was not stressed by either party at the trial, Plaintiff's second machine which is shown in the photograph facing Page 8 of this Brief includes a rack and pinion which provide a vertical adjustment in the router assembly. The machinist who made that machine so testified at EX. 28, Pp. 18-21, and both of the attorneys for the Defendants have examined that machine. Thus, the District Court was in error in the factual premise on which the 'most meager range of equivalents' was based."

This position was not urged below; it is contrary to evidence adduced and admissions made below; and it is irreconcilable with the fact that, although Defendants brought their own rack and pinion router, Defs. Exhibit 25, into court and demonstrated it, Plaintiff could not produce a router purporting to be that of Figure 2 of the patent.

The Pretrial Order at CT 26-27 reads as follows:

"s. The only trade secret which Plaintiff relies on in this action as appropriated by Defendants, relates to a form of apparatus for making topographical models in which the sole accurate, vertical adjustment is provided in the router assembly."

"t. This form of apparatus alleged to have been a trade secret of Plaintiff prior to issuance of the patent, and to have been appropriated by Defendants, is not used and never has been used by Plaintiff."

These are facts stipulated to and binding upon the parties, and they refer to Pl's Exhibit O and Figure 2 of the patent, which illustrate a router assembly that can be adjusted vertically. It was Plaintiff's contention that this was a trade secret until such time as the patent was granted, that Defendants had access to that secret as a result of their employment by Plaintiff, and that after leaving Plaintiff's employ and setting up their own business, Defendants appropriated this secret in the form of Def's Exhibit 25. CT 4 and Findings of Fact Nos. 15 to 30, CT 44-48. Judgment was rendered for Defendants, CT 53, and no appeal has been taken by Plaintiff.

It is therefore conclusive and a matter of res judicata that the "form of apparatus alleged to have been a trade secret of Plaintiff (i.e., the "form of apparatus" shown in Figure 2 of the patent).. is not and never has been used by Plaintiff."

Moreover, at RT 137 Johnston testified as follows:

"Q. Could you -- and by you I mean the plaintiff -- yourself, Virginia Green, and the employees, going back to 1960 when you first started cutting models of foam, up to the present time you have never accomplished this accurate vertical adjustment except through the support above for the foam; isn't that correct?

A. That is correct."

Moreover, the evidence upon which Plaintiff now relies is ambiguous testimony by deposition of Roger N. Busch concerning the "second machine" which was made by the Busches for Plaintiff in 1963. The second machine, like the first machine which was made in 1960, had jack screws, a chain, sprockets, etc. for height adjustment, and as truthfully stated by Johnston at the trial,

"...up to the present time you (Plaintiff) have never accomplished this accurate vertical adjustment except through the support above for the foam.." RT 137.

That is, even with the "second machine" the rack and pinion was never used for "accurate vertical adjustment". The purpose of the rack and pinion is correctly stated by Roger N. Busch as follows:

"Q. Well, we will come back to this. Now, could you explain briefly the difference between the first router carriage and the second router carriage?

A. Yes, the same general shape was the same. It was on a tripod. It was a little larger than the first, because the principal change was in the action of it. The first one was more or less stable, although I think it could be moved up and down, just by loosening a clamp, but it certainly wasn't any accurate method of raising and lowering, and they wanted to -- Architectural Models wanted to get some motion in that router stand, so they wouldn't have to move the big table up and down each time. So, we used a rack and pinion, which gave them about four inches of travel on the router itself, vertical travel."

Pl's Exhibit 28, pages 20-21.

That is to say, the rack and pinion of the router for the "second machine" was intended, and was used, only for rough adjustments; it was not used for "accurate vertical adjustment".

The trial court's finding of non-equivalence between Plaintiff's "paper" device of Figure 2 and Defendant's actual, working device, Def's Exhibit 25, receives further support as follows:

Nusbaum demonstrated Def's Exhibit 25 and its rack and pinion mechanism, and he testified that this mechanism is much more easily, efficiently and speedily operated than the screw-in adjustment mechanism of Plaintiff's "paper" device. Nusbaum testified as to the probable disadvantages of Plaintiff's screw-in device; that it would be slow in operation; that it would be inaccurate; and that it would tangle the electric cord. RT 704-711. No counter proofs were offered by Plaintiff. On the contrary, Johnston testified that its Figure 1-2 router would require many rotations to adjust height (RT 170-171); that to change from a decimal scale to an architect's scale would require two routers (RT 174-177); and that the electric cord would tangle. RT 423-424. Johnston admitted that from looking at the drawings of the patent she could not explain how to raise the router bit of Figure 2 by an increment of 1/16". RT 177-178.

Moreover, the trial court found that Claim 11, besides being a paper patent, is in a crowded field. CT 36. This finding is amply supported by prior patents; by the prior knowledge of the gentlemen from Pullman, of Elliott Dorsey Green and of the Busches and by the Skill brochure. There was ample testimony concerning these items of prior art and prior knowledge.

For example, Nusbaum testified that the Jacobson patent, Def's Exhibit 4, has a stylus and cutting tool and are coaxial (i.e., in line as in Plaintiff's device) and employs the equivalent of a reverse print (RT 717-722); and that German patent 15309, Def's Exhibit 7, likewise has a coaxial stylus and cutting tool, that the cutting tool can be adjusted, and that it uses a right reading print. RT 725-728, 742-747. When the inventive acts, if there were any, of Johnston and Green were performed, they had knowledge of the pantograph machine of the gentlemen from Pullman, of the ideas of Elliott Dorsey Green and of the ideas and contributions of the Busches (pages 2-4 , supra). They had constructive knowledge of the patents cited by the Patent Office such as Def's Exhibits 4-7. Walker on Patents, Deller's ed., page 293 (Sect.59). Moreover, the cutting tool employed by both parties is and always has been a modification of a commercially available tool, the Skil router manufactured by the Skil Corporation. That router is shown in Def's Exhibit 24, a Skil router instruction manual which is conceded by Plaintiff to be a description of the Skil router as it was in 1960 when Johnston and Green commenced their work on the machine of Figures 3 to 5 of the patent. RT 422-423. Virtually all that Plaintiff contemplated⁴ was to use a Skil router as shown at 28

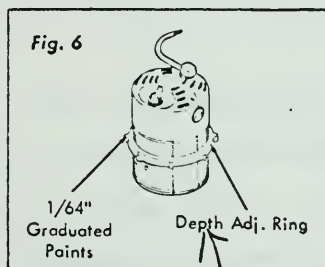
4. The word "contemplated" is used advisedly because Plaintiff never built its Figure 2 router.

in Figure 2 of the patent, to turn it upside down and to thread it into a sleeve 24 so that it could be screwed up and down, together with legs to support it. Page 6 of the Skill brochure, Def's Exhibit 24, is reproduced below and is worthy of comment.

...6

Depth Adjustment

To regulate the depth of cut, raise or lower the motor housing, as follows:



1. Turn switch off.
2. Loosen the clamp knob.
3. Turn the adjusting ring until the base is setting flush and the bit is just touching the surface the base is setting on. (Turn the adjusting ring clockwise to raise the bit and counterclockwise to lower it.) At this setting you are exactly at "O" depth of cut.
4. The adjusting ring has 8 points, each of which indicates 1/64" change in depth. Therefore, one complete turn of the ring will change the depth of cut 1/8". Use the adjusting groove in the threads as a reference point.

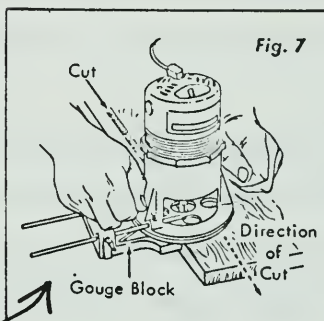
Adjust the desired depth.

5. When you get the proper depth setting, tighten the clamp knob and the bit will be locked in position.

Guiding the Router

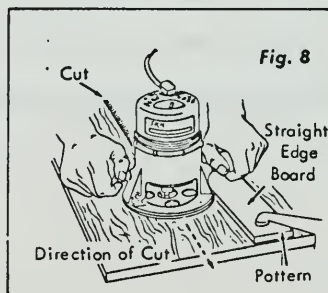
The SKIL Router consists mainly of two parts; the motor assembly and the base assembly. The two side handles on the base are positioned for best control and balance. Grasp the Router firmly when you turn on the switch to overcome the starting torque of the motor.

There are 5 basic methods of controlling the movement of the router.



1. By the use of Gauge Block, Fig. 7.

Locate gauge block the desired distance from cutter bit and guide Router by sliding gauge block along outer edge of work. Screws must be tight. Two holes are provided on face of gauge block for mounting a curved or straight piece of wood (8 to 10 inches long, about 1/2-inch wide and 1 inch thick) as a further aid in guiding the Router.



2. By use of Router Base, Fig. 8:

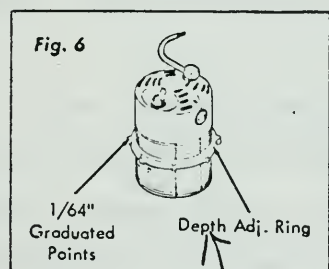
Clamp straight edge or curved board on work to be cut. It may be in the form of the desired pattern. Guide Router by allowing its base to follow desired pattern in the board.

in Figure 2 of the patent, to turn it upside down and to thread it into a sleeve 24 so that it could be screwed up and down, together with legs to support it. Page 6 of the Skill brochure, Def's Exhibit 24, is reproduced below and is worthy of comment.

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1. Turn switch off.
2. Loosen the clamp knob.
3. Turn the adjusting ring until the base is setting flush and the bit is just touching the surface the base is setting on. (Turn the adjusting ring clockwise to raise the bit and counter-clockwise to lower it.) At this setting you are exactly at "0" depth of cut.

4. The adjusting ring has 8 points, each of which indicates 1/64" change in depth. Therefore, one complete turn of the ring will change the depth of cut 1/8". Use the adjusting groove in the threads as a reference point.

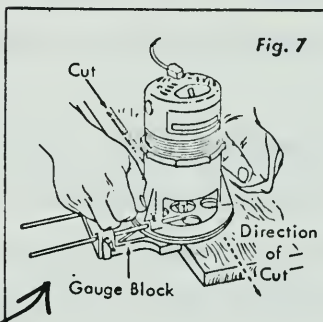
Adjust the desired depth.

5. When you get the proper depth setting, tighten the clamp knob and the bit will be locked in position.

Guiding the Router

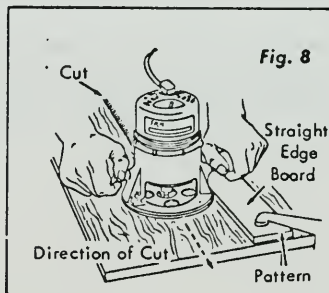
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2. By use of Router Base, Fig. 8.

Clamp straight edge or curved board on work to be cut. It may be in the form of the desired pattern. Guide Router by allowing its base to follow desired pattern in the board.

Note that to adjust the depth of cut made by a Skil router it is standard operating procedure to turn the depth adjusting ring until the cutting bit just touches the base (i.e., it makes no cut); then turn the adjusting ring bearing in mind that as it is turned one eighth of a complete turn (the distance between two "points") the bit is extended 1/64"; then when the desired adjustment has been made the clamp knob is tightened. Pertinent parts of page 6 of the brochure are marked.

Upon comparing page 6 of the Skil brochure with Figure 2 of the patent and with the instructions in the patent at column 2, lines 22-39, a striking similarity is evident. All that Plaintiff did was put feet on a Skil router and turn it upside down.

The Issue of Equivalents - Claim 14

The issue here is whether certain broad language in Claim 14 should, under the applicable statute, 35 USC 112, be interpreted in the same manner as certain more restricted language in Claim 11. This issue and its resolution are clearly and succinctly stated in the trial court's Finding No. 14, CT 43, 44, as follows:

"14. Claim 14 is broader in terminology than Claim 11 because, instead of reciting a threaded sleeve and a threaded motor, it recites "adjustable connecting means interconnecting said motor and said body for adjustably positioning said router," etc. However, viewed in the light of 35 U.S.C. 112, third paragraph, which reads as follows:

"An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material or acts described in the specification and equivalents thereof."

"Claim 14 must be limited to the Figure 2 structure and equivalents. Having found that the rack and pinion construction of defendants is not the equivalent of the threaded, screw-in type of structure of Figure 2, it follows that Claim 14 is no broader in scope than Claim 11 and that defendants do not employ the structure of Claim 14."

The rule of claim interpretation set forth in 35 USC 112 is a statutory command which cannot be ignored. This legal point is not dealt with in Plaintiff's Brief. Indeed, Plaintiff's Brief does not mention 35 USC 112. This statute says that a

means clause "shall be construed to cover the corresponding structure, material, or acts ---- described in the specification and equivalents thereof". Plaintiff does not in its Brief tell us how the court below, how this court, or how any other court could reconcile the statutory command of 35 USC 112 with an interpretation of Claim 14 which is broader than Claim 11. The only "means --- for performing" the function of height adjustment described in the patent is the screw-in mechanism of Figures 1 and 2, which therefore constitutes the only "corresponding structure". Therefore only this structure and its equivalents are comprehended by Claim 14.

Plaintiff's Brief, at page 43, seeks to bolster its case for a broader interpretation of Claim 14 by referring to a "rack and pinion structure---which was incorporated in the Plaintiff's second machine". This point is dealt with at length in this Brief, pages 26-30 , supra. All that need be added here is to note the following: The rack and pinion of the "second machine" are not shown in the patent. The statute, 35 USC 112, says that a "means" clause

"shall be construed to cover the corresponding structure --- described in the specification and equivalents thereof"

The rack and pinion mechanism of Plaintiff's second machine are not "described in the specification" of the patent.

In correctly applying the statute to Claim 14, the trial court also had the benefit of ample evidence including a demonstration and testimony of witnesses with regard to the different operating characteristics of the structure Figures 1 and 2 and of Defendant's structure, Def's Exhibit 25. See pages 31-32 of this Brief.

Moreover Plaintiff's Brief omits another interesting point. Assuming, arguendo, that Claim 14 does in fact express a broader concept than Claim 11, that is to say, that it is broader than a screw-in device as shown in Figures 1 and 2 of the patent and includes Defendants' rack and pinion device, nevertheless Claim 14 was not presented (i.e., this broader concept was not asserted) until after Plaintiff had seen Defendants' device on or about August 5, 1963. Def's Exhibit 2, pages 45-47. After seeing one of Defendants' topographical models, Plaintiff demanded entry to Defendants' plant and an inspection of Defendants' machine. This demand was complied with and Plaintiff, in the person of Leila Johnston, entered the plant and inspected Defendants' machine including their rack and

pinion router. RT 611-612. It was only after this, on September 12, 1963, that Plaintiff amended its patent application to present Claim 14. Def's Exhibit 2, pages 28-29.

Obviously, if Claim 14 expresses a broader concept, that concept (like so many other concepts in the patent) came from someone else, in this instance from the Defendants.

Summary Regarding the Issue of Equivalents

The issue of equivalents is dealt with in Plaintiff's Brief at pages 32 to 40 with regard to Claim 11 and at pages 40 to 43 with regard to Claim 14. A careful reading of these pages fails to reveal any reference to factual evidence adduced at the trial, with only a single, irrelevant exception. That exception is at page 37, last line and page 38 where Plaintiff refers to testimony that Defendants' rack and pinion are intended for vertical adjustment and that a rack and pinion are old. Plaintiff merely disagrees with the trial court and asks this court to disagree. But a finding of non-equivalence - that structure A does not do the same thing in the same way to accomplish the same result as structure B - is a finding of fact and if there is substantial evidence supporting it, the finding should not

be set aside. In this case, apart from legal argument and citation of the Encyclopedia Britannica, all of the evidence supports the finding of non-equivalence. Such evidence comprises proof that the patent is a paper patent, evidence that there is close prior art including prior art that was not considered by the Patent Office, testimony that the Figure 2 device would operate inefficiently, a demonstration and testimony that Defendants' device operates efficiently and an admission by Plaintiff of ignorance regarding operation of the Figure 2 device.

CONCLUSION

This court is confronted with an appeal by a patentee whose patent was litigated adversely before a judge who has had many years of experience in the trial of patent cases. An odd circumstance is that the patent describes and claims a machine (that of Figures 3-5) which was actually built and used and a machine (that of Figures 1 and 2) which was never built and never used, but the patentee is suing on Claims limited to the machine that was never built or used. Another odd circumstance is that the "paper" device which is sued on is claimed to be the "preferred" form of the invention although it was never built or

used. Yet another odd circumstance is that the patentee assembled in its patent a number of ideas contributed by other persons. And Plaintiff would have this court believe that its Claim 14 embodies a broad concept derived in part from Defendants' ingenuity.

On this record, the trial court was quite indulgent toward Plaintiff in that it left Plaintiff with a presumptively valid patent which, without question, covers the machine that Plaintiff actually built and uses.

What the Plaintiff asks of this court is that it stretch Plaintiff's patent to cover something that Plaintiff never saw fit to build and something which Defendants (not the Plaintiff) took the trouble and spent the money to build.

Certainly, in the light of the reasoning of the Supreme Court in Graham v. John Deere, 86 S.Ct. 684, 383 US 1, and United States v. Adams, 86 S.Ct. 708, 383 US 39, this patent, if sustained at all, is entitled only to a very narrow interpretation. In actual fact the patent in its entirety, and most certainly the "paper" Claims 4, 5, 11 and 14, deserve to be held invalid.

In Graham, at 86 S.Ct. 694, 383 U.S. 17, 18, the Supreme Court discussed criteria of patentable invention as follows:

"Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevance. See Note, Subtests of Nonobviousness, 112 U.pa.L. Rev. 1169 (1964)."

In the present case, there is a complete absence of "such secondary considerations as commercial success, long felt but unsolved needs, (or) failure of others" because the device sued on was never built and the patent never served to guide anyone in the building of a machine. This case presents a bold attempt to use a patent on a machine that was actually built and operated (the Figures 3-5 machine) as a springboard to fence in something that the Plaintiff never bothered to build and wishes to prevent others from building. Valid patents which are entitled to a liberal interpretation are not made of such stuff. In Adams it was shown that there had been a severe problem, that others attempted but failed to solve the problem, and that the patentee's device solved the problem and was copied by others. That is the antithesis of the situation here.

The trial court's narrow interpretation of Claims 4, 5, 11 and 14 of U.S. Patent No. 3,127,209 was correct and should be affirmed.

Dated: San Francisco, California

November 30, 1967

Respectfully submitted,

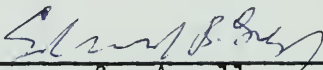
GREGG & STIDHAM

Edward B. Gregg, Esquire

By 
Attorney for Appellee

CERTIFICATE OF COUNSEL

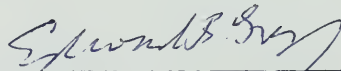
I certify that, in connection with the preparation of this Brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing Brief is in full compliance with those Rules.



Attorney for Appellee

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have delivered three copies of the foregoing Brief to NAYLOR & NEAL, 1650 Russ Building, San Francisco, California, this 30th day of November, 1967.



Attorney for Appellee

